

Message Text

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67

ACTION NEA-09

INFO OCT-01 EUR-12 ISO-00 CIAE-00 DODE-00 PM-03 H-02

INR-07 L-02 NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15

USIA-06 AID-05 COME-00 EB-07 FRB-03 TRSE-00 XMB-02

OPIC-03 CIEP-01 LAB-04 SIL-01 OMB-01 /093 W

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R 171644Z MAR 75

FM AMEMBASSY RABAT

TO SECSTATE WASHDC 4865

INFO AMCONSUL CASABLANCA

AMEMBASSY PARIS

AMCONSUL TANGIER

LIMITED OFFICIAL USE RABAT 1345

PARIS FOR RFC/RDO

DEPT PASS TREASURY FOR ASSISTANT SECRETARY SIDNEY COX

E.O. 11652: N/A

TAGS: EFIN EINV MO

SUBJ: CLOSURE CASABLANCA BANK OF AMERICA OFFICE: SWITCH OF
EMBASSY DEPOSITS

REF: RABAT 6127 DECEMBER 18, 1974 PARA 3

1. GENERAL MANAGER BANK OF AMERICA HAS INFORMED EMBASSY THAT FORMAL CONVEYANCE BANK OF AMERICA ASSETS TO BANQUE MAROCAINE DU COMMERCE EXTERIEUR (BMCE) IN RETURN FOR INCREASE IN BANK OF AMERICA PARTICIPATION FROM 2.5 PER CENT TO 5 PER CENT (OR ABOUT \$500,000) SCHEDULED FOR MAY 31. SIGNING MAY TAKE PLACE FEW DAYS EARLIER OR LATER DEPENDING ON SCHEDULES SENIOR BANK OF AMERICA OFFICIALS AS DATE APPROACHES.

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2. BANK OF AMERICA OFFICIALS CONCERNED THAT WITHDRAWAL

EMBASSY ACCOUNT AND OTHER US DEPOSITS PREMATURELY MAY AFFECT BMCE ATTITUDE TOWARDS AGREED VALUATION BANK OF AMERICA ASSETS, FORCING RENEGOTIATION OR CAUSING DEAL TO FALL THROUGH. MANAGER POINTS OUT THAT BECAUSE LOCAL BRANCH BANK OF AMERICA HAS BEEN OPERATING AT LOSS, WHILE BMCE LARGEST AND MOST PROFITABLE BANK IN MOROCCO, INVESTMENT IN BMCE WILL BE WORTH AT LEAST AS MUCH TO BANK OF AMERICA AND US COMMERCE IN GENERAL AS PREVIOUS SEPARATE OPERATION AND WILL BE EQUAL TO TOTAL VALUE CITIBANK WHICH REMAINS ONLY LOCAL US BRANCH BANK.

3. BANK OF AMERICA WOULD IDEALLY LIKE TO SEE THE EMBASSY ACCOUNT STAY WITH (BE SWITCHED TO) BMCE TO ENHANCE EARNINGS OF PARTICIPATION SHARES. (FYI. UNDERSTAND SHARE OF US DEPOSITS CURRENTLY PLACED WITH BANQUE AMERICANO FRANCO-SUISSE ON BASIS CONTINENTAL ILLINOIS PARTICIPATION. END FYI.) AT MINIMUM, BANK OF AMERICA ASKS THAT ACCOUNT BE MAINTAINED THROUGH MAY 31 AND PERHAPS A FEW MONTHS BEYOND TO PERMIT BANK TO DEVELOP GOOD WORKING RELATIONSHIP WITH BMCE BEFORE ACCOUNT DRAWN DOWN. BANK PARTICULARLY CONCERNED THAT DEPOSITS ANTICIPATED BETWEEN NOW AND MAY 31 BE RECEIVED ON SCHEDULE TO MAINTAIN ASSET VALUE PENDING SIGNING.

4. WE INFORMED MANAGER THAT WHILE OTHER POLICY CONSIDERATIONS MAY BE INVOLVED, WE WOULD REPORT HIS VIEWS ON EFFECT OF PREMATURE WITHDRAWAL OF FUNDS. ASSUME TREASURY AND RFC PARIS WILL TAKE INTO FULLEST ACCOUNT THESE PREOCCUPATIONS IN ANY DECISIONS AFFECTING LOCATION US OFFICIAL DEPOSITS.
NEUMANN

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